
TO: Electoral Area Services Committee **MEETING:** July 9, 2019

FROM: Tom Armet
Manager, Building & Bylaw Services **FILE:**

SUBJECT: Building Permit Activity – Second Quarter 2019

RECOMMENDATION

That the report Building Permit Activity – Second Quarter 2019 be received for information.

SUMMARY

A summary of building permit activity for the first half of 2019 is provided for the Regional District of Nanaimo's (RDN's) 7 Electoral Areas, as well as the District of Lantzville where the RDN provides building permit and inspection services under contract. The RDN has experienced steady growth in residential construction activity during the past three years at levels higher than the provincial average. Overall, the number of permits in the first half of 2019 has remained relatively constant through the same period of 2018 and 2017. The construction value of the permits issued during the first 6 months of 2019 is \$57 million, representing a 32% decrease over 2018 and an 18% decrease in construction value over 2017.

Building Permit approval times can vary depending on project complexity, application volumes and completeness of applications, as well as staff levels. Currently the average wait time for permit approvals is approximately 8 to 9 weeks and inspection scheduling is between 2 and 5 days. In the first 6 months of 2019, the RDN processed 453 permit applications and conducted nearly 3,200 field inspections. An update on innovations that the Department is continuing to implement to improve the efficiency of building permit processing is also provided in this report.

BACKGROUND

The steady level of building activity over the past three years within the Regional District of Nanaimo is reflective of the strong performing economy in the region. Recent published reports by Central 1 and the BC Real Estate Association are forecasting continued growth in the housing market in this region in 2019 and beyond.¹

Building permit data is collected and disseminated monthly to various federal and provincial agencies such as Statistics Canada and BC Assessment where the data is used for tracking, property valuation and forecasting of development trends. Monthly permitting activity reports are posted on the RDN website with copies provided to the Area Directors. Construction activity in the RDN Electoral Areas tends to be predominately residential, with a relatively small number of non-residential (commercial/industrial) building permits issued.

¹ https://www.central1.com/wp-content/uploads/2018/11/ea-2018_04-BC.pdf

Building Permit Applications

The RDN received 453 building permit applications in the first half of 2019, a small increase over the same period in 2018 (440) and 2017 (449). The construction value of permits issued can fluctuate based on the type and scope of projects. Overall construction value of the permits issued during this period is \$57 million, representing a 32% decrease over 2018 and an 18% decrease in construction value over 2017.

Non-residential (commercial/industrial) building permits typically represent a relatively small number of the permits issued by the RDN. However, the value of these permits can be high, depending on the scope of the commercial or industrial projects. While the overall volume of building permit applications remained at relatively the same level as 2018, the number of non-residential permits increased over the same period in 2018. In the first half of 2019, the RDN issued 25 non-residential permits valued at \$6.8 million, compared to 15 permits valued at \$2.7 million in 2018, and 24 non-residential permits valued at \$7.3 million in the same period in 2017.

Building Permits by Electoral Area

Building activity levels in the electoral areas remain strong, particularly Areas B, E and F and G. The following table provides a biannual breakdown of building permits issued by Electoral Area and Lantzville from 2017 to 2019:

Electoral Area	Building Permits Issued (First 6 Months)		
	2017	2018	2019
A	59	57	35
B	48	54	66
C	25	23	48
E	76	67	71
F	59	48	55
G	62	55	44
H	20	45	39
Lantzville	10	25	27
Total Permits issued	359	374	385
Total Construction Value (\$m)	\$69.8	\$83.8	\$57

Building Permit Approvals and Inspection Scheduling

Building Permit approval times can vary depending on project complexity, application volumes and completeness of applications, as well as staff levels. Currently the average wait time for permit approvals is approximately 8 to 9 weeks and inspection scheduling is between 2 and 5 days. In the first two quarters of 2019, the RDN processed 453 permit applications and conducted nearly 3,200 field inspections.

A province-wide shortage of qualified building inspectors has affected the RDN's ability to fill two vacant building inspector positions however recruitment efforts are continuing. Temporary administrative staff have assisted with inspection scheduling and permit intake. Plan reviewers and inspectors are working extra hours to process building permit applications and conduct field inspections within reasonable periods of time, given the heavy workload being experienced by the department.

Service Enhancements

Permit processing times and the delivery of inspection services has an impact on our customers' ability to deliver product to their clients. In response to this, we have incorporated a continuous improvement model to review our processes, incorporate technology and adjust service and staff levels where possible.

The technical work has now been completed on the initiative to implement a public portal in 2019 for online building permit applications and inspection scheduling. The public portal will be fully integrated with the RDN's internal processes and is designed to give the public the option to "self-serve" their building permit application and inspection requests from their home, office or mobile device and it is expected that this will be in place by December of 2019. Use of the portal will eliminate the need for clients to travel to the RDN office or schedule their inspections by telephone, which in turn will enhance the overall efficiency of the permit/inspection process for the public and staff alike. Plans are underway for the public engagement component of the portal project.

ALTERNATIVES

1. Receive the report Building Permit Activity – Second Quarter 2019 for information.
2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

There are no financial implications in receiving this report.

STRATEGIC PLAN IMPLICATIONS

People and Partnerships - Improve the governance and awareness of RDN activities for citizens throughout the Region.



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July 2, 2019

Reviewed by:

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- P. Carlyle, Chief Administrative Officer